



2011 Rome Entrepreneur Assistance Program (REAP)

REAP is designed to help develop innovative products and services and create jobs. This will be accomplished through a combination of grants and low-interest financing. Community Development Block Grant (CDBG) provides gap funding to open, stabilize and/or expand small businesses in Rome.

REAP loans and grants will target funding toward entrepreneurs who take a more sustainable, efficient, and innovative approach to business. In 2011, to promote smart-growth principles, brownfield revitalization, green-sector jobs, and high-tech microenterprise development - **priority will be given to fund small businesses and microenterprises in the following areas:**

1. New and expanding microenterprises (1-5 people including the owner) along **Rome's Main Street Corridors**;
2. New and expanding businesses locating within the **Brownfield Opportunity Area (BOA) with targeted funding designated for the former General Cable site**;
3. New and expanding businesses that **focus on the manufacture, wholesale, or retail marketing of renewable energy systems, products, or services** – including photovoltaics, energy-efficiency, alternative fuels/transportation, recycling, nanotechnology & clean-tech, sustainable products; and
4. **Existing businesses that perform energy-star rehabilitation** to vacant, antiquated, or inefficient commercial buildings utilizing a NYSERDA-approved energy audit – for example, financing for alternative fuel heating systems, LED lighting upgrades, spray-foam insulation, photovoltaic solutions, and use of FSC-approved building materials.

General REAP Requirements

1. If job creation is required, L/M positions must be a minimum of 17.5 hours per week and **retained for one full year**. An L/M income level job must not require any specialized skills and must be filled by an L/M individual.
2. Applicant must own their place of business or provide a minimum written lease agreement.
3. Applicant must be current on all City taxes.
4. Applicant must provide a business plan with application.
5. Applicant must provide original, dated receipts with expenses occurring 180 days before or after project approval and prior to reimbursement, using expense form (provided by staff).
6. Applicants must provide a minimum 50 % contribution per project expense, with a minimum of 10% being owner's equity. Matching contributions may include most business-related expenses.
7. Applicant must sign a promissory note agreeing to pay back grant funds if failure to follow guidelines ensues or the business is sold within a one year period of cost reimbursement.
8. Applicant must participate in one on-site monitoring visit from City staff.

Application Requirements

- **Meeting with City Staff**
- **Completed Application with Attachments**
- **Business Plan**
- **Documentation of equity, financing, & costs**
- **Current credit report**
- **Estimates must be provided for any major purchases**

Rome Community and Economic Development (CED)
3rd Floor, 198 N. Washington Street, Rome, NY 113440
315-339-7643



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- **Loan Size:** Loans are available for up to 50% of the total project cost, with a minimum loan of \$10,000 and a maximum loan of \$75,000, providing funds are available. **Bank, equity, or other financing is required for at least 50% of the total project cost including a minimum of 10% cash equity contribution by the borrower.** If the loan is being provided for job retention, with jobs retained documentation, a match for the loan project is not required.
- **Loan Term:** Five (5) years.
- **Interest Rate:** Prime Rate minus (-) 1%. (Set by prime rate on January 1st of each year.)
- **Repayment Schedule:** Monthly payments. No prepayment penalty.
- **Loan Approvals** are based on the recommendations of REAP Loan Committee
- **Eligible Projects:** Loans can be used for equipment, supplies and working capital.
- **BOA Projects:** 2011-2012, as funds are available, projects located in the one of Rome's designated Brownfield Opportunity Areas (BOA's) may qualify for up to \$500,000 in a combination of loan and grant funding. Terms and rates for all BOA Project loans will be: Prime plus (+) 1% with a payment amortized over ten years, and a balloon payment or refinance of the remaining balance in 2.5 years (on or before 30 monthly payments). If the borrower cannot repay the loan or refinance the remaining balance with an alternate lender, and their payments are current, with proper "declination" documentation from at least three lenders, the City may agree to refinance the existing balance. The refinance terms cannot exceed five (5) years at the rate of Prime plus (+) 2%.
- **To be eligible, applicants for the loan or grant programs must meet at least one of the following CDBG National Objectives:**

(1) (LMJ) Job Creation or Retention National Objective

Job Creation: Loan and grant recipients must provide documentation indicating at least 51% of *created* jobs will be held by, or made available to LMI persons. For each \$50,000 borrowed, at least one full-time job must be created.

Job Retention: For funded activities that retain jobs, there must be significant information documenting that jobs would have been lost without assistance, and, one or both of the following must apply to at least 51% of the retained jobs must be held by LMI persons.

(2) (LMC) Limited Clientele National Objective – Microenterprises Only

100% of the benefit must be provided to microenterprise owner(s) and persons developing microenterprises who qualify as low-and moderate- income, as determined by current HUD guidelines. Income status must be documented, and qualified LMI microentrepreneurs will remain qualified for up to three years after the first CDBG assistance. The owner must be active in the business on a daily basis and the business must become the owner's major source of income. The applicant must meet Federal Income Guidelines based on the size of household and adjusted gross income from latest Federal Income Tax return. If applicant does not meet Guidelines, then they must certify full time employment of an individual who meets guidelines.

(3) (LMA) Low-Mod Area Benefit National Objective – Microenterprises Only

100% of the benefit must be provided to residents of a low-and moderate- income neighborhood as determined by current HUD guidelines. Service provided and Neighborhood status must be documented by City staff.



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Reap Grants

A. Technical Assistance Grant

- **Grant Size:** \$2,500
- **Special Provisions:** Must include job creation
- **Eligible Projects:** for business plan development, accounting services, image development, advertising and marketing, workforce development and other approved technical assistance to business start-ups (6 months or less).

B. Downtown Development and BOA Grant

- **Grant Size:** \$5,000 grants for businesses that locate in the Main Streets or BOA Target Area.
- **Special Provisions:** Must accompany a Small Business Loan – Greenbacks.
- **Eligible Projects:** Grants may be used for advertising, accounting & payroll, acquisition & rent, supplies, build-out, signage and working capital.

C. Green Innovation Grant

- **Grant Size:** \$10,000 grants for businesses that manufacture or market a product or service recognized in the Green-sector economy. Examples include photovoltaics, recycling, alternative fuels/energy, weatherization, and sustainable materials.
- **Special Provisions:** Business will be asked to provide additional verification, permits (as required), supplier information, etc. Must accompany a Small Business Loan.
- **Eligible Projects:** Grants may be used for advertising, accounting & payroll, acquisition & rent, supplies, build-out, signage and working capital.

Potential Applicants should schedule an introductory meeting with CED staff to discuss their project and to obtain applications.

Contact Information

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